



Carlos Jackson
Executive Director

**COMMUNITY DEVELOPMENT COMMISSION
of the County of Los Angeles**

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

April 12, 2005

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RESOLUTION APPROVING ISSUANCE OF MULTIFAMILY HOUSING REVENUE
BONDS IN UNINCORPORATED LOS ANGELES COUNTY AND THE CITY OF
MONTEBELLO (1,2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt and instruct the Chair to sign a Resolution, as required under Section 147(f) of the Internal Revenue Code of 1986, approving the issuance of Multifamily Housing Bonds by the City of Los Angeles (City), to assist Leeward Partners, L.P. and Lexington L.P. (the Borrowers) in financing the site acquisition, construction and rehabilitation of a portion of the Lexington Apartments and the Leeward Apartments, two scattered site developments comprised of 508 total housing units located at 32 sites (the Project), as listed in Attachment A; including 11 units at Sheridan Manor Apartments, located at 1144-46 East 92nd Street, in unincorporated Los Angeles County; 28 units at Turner Towner Apartments, located at 14722 South Lemoli in unincorporated Los Angeles County; and 40 units at Greenwood Apartments, located at 1405 South Greenwood in the City of Montebello (the County Sites).
2. Approve and instruct the Executive Director of the Community Development Commission of the County of Los Angeles, or designee, to sign an Interlocal Cooperation Agreement between the City and the County of Los Angeles to allow the City to issue bonds for the purpose of financing the acquisition, construction and rehabilitation of multifamily rental housing located at the County Sites.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the issuance of Multifamily Housing Revenue Bonds by the City, which will finance the acquisition, construction and rehabilitation of a total of 508 units of affordable multifamily housing at 32 sites, including 79 units at the County Sites. This approval authorizes the City to issue bonds for the County Sites but does not commit the County to approving the project financing or authorizing the rehabilitation.

FISCAL IMPACT/FINANCING:

There is no fiscal impact. The Borrowers will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The Project consists of the acquisition, construction and rehabilitation of two scattered-site developments, comprised of a total of 29 sites located in the City of Los Angeles (City Sites), plus two sites located in the unincorporated County, and one site in the City of Montebello. Bonds will be issued by the City for the acquisition, construction and rehabilitation financing of all 32 sites.

Pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (Code), the City is permitted to issue bonds for the purpose of financing the acquisition, construction and rehabilitation of the multifamily rental housing located in the City, and the County may issue such bonds for multifamily rental housing located throughout the County. The Code authorizes a county and one or more cities within a county to enter into agreements for the purpose of financing multifamily rental housing development.

The attached Interlocal Cooperation Agreement evidences the agreement between the City and the County to authorize the City to issue bonds in the County. The attached Resolution authorizes the City to issue bonds for the County Sites. The City of Montebello will provide a letter of support for the site in its city.

At least 20 percent of the total 79 units at the County Sites will be reserved for households with incomes not exceeding 50 percent of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as defined by the U.S. Department of Housing and Urban Development (HUD). The remaining units will be reserved for households with incomes not exceeding 60 percent of the AMI. These affordability requirements will remain in effect for a minimum of 55 years.

Bonds will be issued in a total aggregate amount not to exceed \$21,000,000, of which \$3.1 million will finance the County Sites. The Project's total 32 sites will be cross-collateralized in order to secure the bonds and to reduce the cost of issuance.

On September 28, 2004, the Los Angeles Housing Department conducted a public hearing at its office located at 1200 West 7th Street in the City of Los Angeles, regarding the issuance of multifamily bonds to finance the Project, pursuant to Section 147(f) of the Internal Revenue Code. No comments were received at the public hearing. The minutes of the public hearing were presented to the County.

The attached Resolution and Interlocal Cooperation Agreement were prepared by Kutak Rock, Bond Counsel to the City, have been reviewed by Orrick, Herrington & Sutcliffe, Bond Counsel to the County, and have been approved as to form by County Counsel.

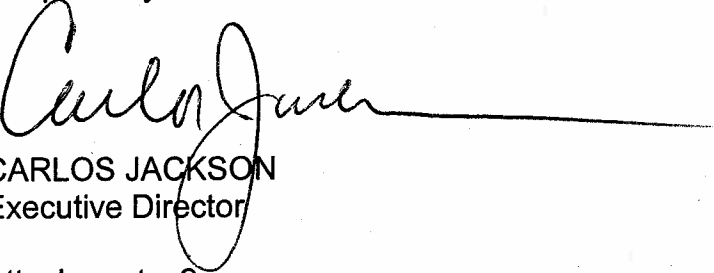
ENVIRONMENTAL DOCUMENTATION:

The approval of the issuance of bonds is not subject to the provisions of the California Environmental Quality Act (CEQA) in that such approval does not meet the definition of a project set forth in Section 15378 of the CEQA Guidelines. Moreover, the action is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

IMPACT ON CURRENT PROJECT:

The proposed actions will increase the supply of affordable rental housing in the County.

Respectfully submitted,



CARLOS JACKSON
Executive Director

Attachments: 2

ATTACHMENT A

PROJECTS

Name: Lexington Apartments	# of Units: 251 (scattered-site)	Borrower: Lexington Apartments, L.P.	Estimated \$: 10,500,000
Project Addresses: 3035 Sierra, Los Angeles, CA 90031; 643 North Kingsley, Los Angeles, CA 90004; 1141 North Westmoreland, Los Angeles, CA 90029; 4612 Lexington, Los Angeles, CA 90029; 4829 Lexington, Los Angeles, CA 90029; 1405 South Greenwood, Montebello, CA 90640; 2521 South Juliet; 1531 West Adams, Los Angeles, CA 90007; 7219 San Pedro, Los Angeles, CA 90003; 2607 South Mansfield, Los Angeles, CA 90016; 10607 Kalmia, Los Angeles, CA 90002; 1835 West 25th Street, Los Angeles, CA 90018; 1317 East 23rd Street, Los Angeles, CA 90011; 1145 24th Street, Los Angeles, CA 90011; 1386 East 20th Street, Los Angeles, CA 90011; 1151 East 20th Street, Los Angeles, CA 90011			

Name: Leeward Apartments	# of Units: 257 (scattered-site)	Borrower: Leeward Apartments, L.P.	Estimated \$: 10,500,000
Project Address: 230 West 88 th , Los Angeles, CA 90003; 10915 South Figueroa, Los Angeles, CA 90061; 1134 West 17 th , Los Angeles, CA 90015; 2818 Leeward, Los Angeles, CA 90005; 5426 Sierra Vista, Los Angeles, CA 90036; 1811-15 West 36th Place, Los Angeles, CA 90018; 2809 West Boulevard, Los Angeles, CA 90016; 2828-2834 West Boulevard, Los Angeles, CA 90019; 3918-3934 3/4 La Salle, Los Angeles, CA 90062; 1130 West Boulevard, Los Angeles, CA 90019; 14722 South Lemoli, Gardena, CA 90249; 1206 East 105 th , Los Angeles, CA 90002; 10634 South Central, Los Angeles, CA 90002; 10648 South Central, Los Angeles, CA 90002; 1144-46 East 92 nd , Los Angeles, CA 90002; 8318 South Main, Los Angeles, CA 90003; 10510 South Avalon, Los Angeles, CA 90002			

COUNTY PROJECTS:

Lexington Apartments:

1405 South Greenwood, City of Montebello

Leeward Apartments:

14722 South Lemoli, unincorporated Los Angeles County

1144-46 East 92nd, unincorporated Los Angeles County

RESOLUTION

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES APPROVING FOR PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986 THE ISSUANCE OF BONDS BY THE CITY OF LOS ANGELES TO FINANCE THE ACQUISITION, REHABILITATION OR CONSTRUCTION OF SEVERAL MULTIFAMILY RESIDENTIAL RENTAL PROJECTS LOCATED WITHIN THE COUNTY OF LOS ANGELES AND APPROVING, FURTHER, EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT WITH THE CITY OF LOS ANGELES

WHEREAS, both the County of Los Angeles (the "County") and the City of Los Angeles (the "City") are authorized, pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California (the "Act"), to issue their revenue bonds for the purpose of providing permanent financing for the acquisition, construction and rehabilitation of multifamily rental housing for persons and families of low or moderate income; and

WHEREAS, the City intends to issue, at one time or from time to time, bonds (the "Bonds") to finance the acquisition, construction and rehabilitation of the multifamily rental housing projects described in Exhibit A attached hereto (each a "Project" and collectively the "Projects"); and

WHEREAS, the Projects listed in Exhibit A as "County Projects" are located within the County but not within the City, and the remaining Projects are located within the City; and

WHEREAS, the City intends to authorize the financing of the Projects, and has been requested by Leeward Partners, L.P. and Lexington Partners, L.P. (collectively, the "Borrowers") to issue its revenue bonds (the "Bonds") and to loan the proceeds to the Borrowers to finance the acquisition, construction and rehabilitation of the Projects, including the County Projects; and

WHEREAS, Section 52086 of the Act authorizes a county and one or more cities within the county to enter into an agreement to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing multifamily rental housing development pursuant to the Act; and

WHEREAS, the City is within the County; and

WHEREAS, the Borrowers have requested that the City and the County enter into an agreement pursuant to the provisions of Section 52086 of the Act to permit the City to issue the Bonds to finance the Projects; and

WHEREAS, the interest on the Bonds may qualify for a federal tax exemption under Section 142(a)(7) of the Internal Revenue Code of 1986 (the "Code"), only if the Bonds are approved in accordance with Section 147(f) of the Code; and

WHEREAS, pursuant to the Code, Bonds are required to be approved, following a public hearing, by an elected representative of the issuer of the Bonds (or of the governmental unit on behalf of which the Bonds are issued) and an elected representative of the governmental unit having jurisdiction over the area in which the relevant Projects are located; and

WHEREAS, this Board of Supervisors is the elected legislative body of the County and is the applicable elected representative required to approve the issuance of the Bonds with respect to the County Projects within the meaning of Section 147(f) of the Code; and

WHEREAS, pursuant to Section 147(f) of the Code, the City caused a notice to appear in the *Los Angeles Times*, which is a newspaper of general circulation in the City and the County, on September 13, 2004, to the effect that a public hearing would be held with respect to the Projects on September 28, 2004 regarding the issuance of the Bonds; and

WHEREAS, the Los Angeles Housing Department held said public hearing on such date, at which time an opportunity was provided to present arguments both for and against the issuance of the Bonds; and

WHEREAS, the minutes of said hearing have been presented to the County;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, as follows:

1. This Resolution is being adopted pursuant to the Act.
2. Pursuant to and solely for purposes of Section 147(f) of the Code, the Board of Supervisors hereby approves the issuance of the Bonds by the City in one or more series to finance the County Projects. It is intended that this Resolution constitute approval of the Bonds by the applicable elected representative of the governmental unit having jurisdiction over the area in which the County Projects are located, in accordance with said Section 147(f).
3. The Board of Supervisors hereby authorizes and directs the execution by the Executive Director of the Community Development Commission of the County of Los Angeles or designee (each, an "Authorized Officer") of an Interlocal Cooperation Agreement (the "Agreement") in substantially the form submitted to the Board of Supervisors herewith, with such modifications, changes, additions or amendments not inconsistent with the provisions of this Resolution as the Authorized Officer shall approve. Execution and delivery of the Agreement by an Authorized Officer shall be deemed approval of any such modifications, changes, additions or amendments.
4. All actions heretofore taken by the officers and agents of the County with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and each Authorized Officer of the County, the County Clerk and other properly authorized officers of the County are hereby authorized and directed, for and in the name and on behalf of the County, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including, but not limited to, those described in the Interlocal Cooperation Agreement, which they, or any of them, may deem necessary or advisable in order to consummate the lawful

issuance and delivery of the Bonds by the City in accordance with the Act and this Resolution heretofore adopted by the County.

5. Each Authorized Officer and other properly authorized officials of the County as specifically authorized under this resolution are hereby authorized, directed and empowered on behalf of the County and this Board of Supervisors to execute any other additional applications, certificates, agreements, documents or other instruments or any amendments or supplements thereto, subject to approval by the County Counsel as to form, or to do and to cause to be done any and all other acts and things as they may deem necessary or appropriate to carry out the purpose of the foregoing authorizations and to address any issues arising with respect to the Bonds, the County Projects or the agreements relating thereto subsequent to their issuance.

6. This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of Los Angeles this ____ day of _____, 2005 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

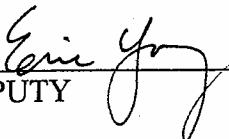
By _____
Chair of the Board of Supervisors

Violet Varona-Lukens
Executive Officer-Clerk of the
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
COUNTY COUNSEL


DEPUTY

I certify that the foregoing Resolution was adopted by the Board of Supervisors of the County of Los Angeles at its meeting on _____, 2005.

By _____

Title _____

EXHIBIT A

PROJECTS

Name: Lexington Apartments	# of Units: 251 (scattered-site)	Borrower: Lexington Apartments, L.P.	Estimated \$: 10,500,000
Project Addresses: 3035 Sierra, Los Angeles, CA 90031; 643 North Kingsley, Los Angeles, CA 90004; 1141 North Westmoreland, Los Angeles, CA 90029; 4612 Lexington, Los Angeles, CA 90029; 4829 Lexington, Los Angeles, CA 90029; 1405 South Greenwood, Montebello, CA 90640; 2521 South Juliet, 1531 West Adams, Los Angeles, CA 90007; 7219 San Pedro, Los Angeles, CA 90003; 2607 South Mansfield, Los Angeles, CA 90016; 10607 Kalmia, Los Angeles, CA 90002; 1835 West 25th Street, Los Angeles, CA 90018; 1317 East 23rd Street, Los Angeles, CA 90011; 1145 24th Street, Los Angeles, CA 90011; 1386 East 20th Street, Los Angeles, CA 90011; 1151 East 20th Street, Los Angeles, CA 90011			

Name: Leeward Apartments	# of Units: 257 (scattered-site)	Borrower: Leeward Apartments, L.P.	Estimated \$: 10,500,000
Project Address: 230 West 88 th , Los Angeles, CA 90003; 10915 South Figueroa, Los Angeles, CA 90061; 1134 West 17 th , Los Angeles, CA 90015; 2818 Leeward, Los Angeles, CA 90005; 5426 Sierra Vista, Los Angeles, CA 90036; 1811-15 West 36th Place, Los Angeles, CA 90018; 2809 West Boulevard, Los Angeles, CA 90016; 2828-2834 West Boulevard, Los Angeles, CA 90019; 3918-3934 3/4 La Salle, Los Angeles, CA 90062; 1130 West Boulevard, Los Angeles, CA 90019; 14722 South Lemoli, Gardena, CA 90249; 1206 East 105 th , Los Angeles, CA 90002; 10634 South Central, Los Angeles, CA 90002; 10648 South Central, Los Angeles, CA 90002; 1144-46 East 92 nd , Los Angeles, CA 90002; 8318 South Main, Los Angeles, CA 90003; 10510 South Avalon, Los Angeles, CA 90002			

COUNTY PROJECTS:

Lexington Apartments:

1405 South Greenwood, Montebello

Leeward Apartments:

14722 South Lemoli, unincorporated Los Angeles County

1144-46 East 92nd, unincorporated Los Angeles County

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT (this "Agreement") is entered into as of April 1, 2005 by and between the City of Los Angeles, a municipal corporation and charter city of the State of California ("City"), and the County of Los Angeles, a political subdivision of the State of California ("County"), pursuant to the provisions of Section 52086 of the Health and Safety Code of the State of California (the "Law") for the purpose of evidencing the agreement of City and County to cooperate with one another in the exercise of their powers pursuant to the provisions of Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (the "Act"), to permit City to issue revenue bonds for the purpose of financing the acquisition, construction and rehabilitation of multifamily rental housing located, in part, in the County.

WHEREAS, Leeward Partners, L.P. and Lexington Partners, L.P. (collectively, the "Borrowers") have requested that City issue its revenue bonds pursuant to the Act for the purpose of financing the acquisition, construction and rehabilitation of two scattered-site multifamily residential rental housing projects (collectively, the "Projects") located in part in City and in part in County; and

WHEREAS, portions of the Projects located at 1405 South Greenwood in Montebello, 14722 South Lemoli in unincorporated Los Angeles County and 1144-46 East 92nd Street in unincorporated Los Angeles County (collectively, the "County Sites") are located within the boundaries of County, but outside the boundaries of City; and

WHEREAS, the remainder of the Projects are located within the boundaries of City; and

WHEREAS, issuing separate series of revenue bonds pursuant to the Act to finance the Projects would increase costs to the Projects unnecessarily; and

WHEREAS, the majority of the Projects' sites are within City; and

WHEREAS, the California Debt Limit Allocation Committee has allocated City federal tax exempt volume cap for purposes of financing the Projects; and

WHEREAS, the Law authorizes a county and one or more cities within the county to enter into agreements to join or cooperate with one another in the exercise jointly, or otherwise, of any or all of their powers for the purpose of financing multifamily rental housing development pursuant to the Act; and

WHEREAS, City is located in County.

NOW, THEREFORE, City and County hereby agree, pursuant to the provisions of the Act, as follows:

Section 1. The recitals above are true and correct.

Section 2. City shall issue its revenue bonds pursuant to the Act in one or more series for the purpose of financing the Projects including, without limitation, the County Sites. County hereby consents to the issuance by the City of Los Angeles of such revenue bonds (the "Bonds") and to the use of a portion of the Bonds to finance the acquisition, construction and rehabilitation of the Project Sites.

Section 3. County agrees to cooperate with City to facilitate the issuance of the Bonds, and shall take such actions as are reasonably requested by City to permit the issuance of Bonds including, without limitation, taking such actions as are necessary to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") with respect to the issuance of the Bonds. Without limiting the generality of the foregoing, County shall submit the proposed issuance of bonds by the City to finance the acquisition, construction and rehabilitation of the County Sites to the Board of Supervisors of the County for consideration for approval pursuant to the requirements of Section 147(f) of the Code. County understands and acknowledges that City noticed a public hearing with respect to the issuance of the Bonds and the financing of the Projects, including the County Sites, in a newspaper of general circulation in the County and that such hearing was conducted by the Los Angeles Housing Department. County hereby ratifies such action on the part of City and adopts such hearing for purposes of the Code.

Section 4. Any Bonds issued under and pursuant to the terms of this Agreement shall be obligations solely of City, and County shall not be obligated thereon or with respect thereto.

Section 5. County hereby agrees and acknowledges that the terms, conditions and provisions of any Bonds issued pursuant to this Agreement shall be determined in the sole and absolute discretion of City, and that no further review or approval thereof shall be required by County; provided, City shall, upon the issuance of the Bonds, cause the Borrowers to pay all expenses of the County in connection with the Bonds and the Projects and shall cause the Borrowers to indemnify, hold harmless and defend the County and each of its officers, supervisors, officials, employees, attorneys and agents in the same manner as the indemnification by the Borrowers of the City.

Section 6. Nothing herein shall obligate County to expend any funds or incur any expenses. Nothing herein shall be interpreted to obligate any payment of any kind by City to County or by County to City.

Section 7. Each of City and County represents and warrants that it has all necessary power and authority to enter into this Agreement, and that it has taken all such actions and received all such approvals as are necessary to authorize the execution and performance of this Agreement.

Section 8. This Agreement is entered into under and pursuant to the laws of the State of California and shall be effective immediately upon its execution and delivery by the parties hereto.

Section 9. This Agreement may be entered into in one or more counterparts, each of which shall be considered an original for all purposes.

Section 10. If any provision of this Agreement is, for any reason, unenforceable, such provision shall be void and of no further force and effect, and the remainder of this Agreement shall remain binding and enforceable against the parties hereto.

This Agreement is entered into by City and County as of the date first set forth above.

CITY OF LOS ANGELES, as Issuer

By: Los Angeles Housing Department

By _____
Authorized Officer

Approved as to form:

ROCKARD J. DELGADILLO,
CITY ATTORNEY

Deputy/Assistant City Attorney

COUNTY OF LOS ANGELES, CALIFORNIA

By _____
Executive Director of the Community
Development Commission of the County of
Los Angeles

Approved as to form:

RAYMOND G. FORTNER, JR.,
COUNTY COUNSEL



Deputy